



ARIZONA STATE SENATE
Fifty-Second Legislature, Second Regular Session

FINAL AMENDED
FACT SHEET FOR S.B. 1244

fire districts; wildland fires; budgets

Purpose

An emergency measure that modifies statute relating to Fire District Assistance Tax (FDAT) and wildland fire reimbursement claims and includes session law regarding a fire district budget override election.

Background

The Board of Supervisors (Board) of a county must levy a county FDAT on the taxable property in the county of not more than 10 cents per \$100 of assessed valuation. Beginning with Fiscal Year (FY) 2013, a consolidated district must not receive more than \$400,000 in FDAT monies, without regard to whether the consolidated district is located in more than one county. If two or more fire districts merge to form a consolidated district and the total amount of FDAT monies received by each fire district is less than \$400,000, the consolidated district may continue to receive monies until its receipts total \$400,000, without regard to whether the consolidated district is located in more than one county.

Based on the budget submitted by a fire district, the Board must levy a tax not to exceed \$3.25 per \$100 of assessed valuation, or the amount of the levy in the preceding tax year multiplied by 1.08, whichever is less, against all property situated within the district boundaries and appearing on the last assessment roll. Qualified electors of the district may vote in an election to authorize the Board to levy a tax exceeding the \$3.25 limit under one, but not both, of the following options: 1) the electors authorize a permanent override allowing annual levies without reference to the levy of the preceding tax year, but remaining subject to the tax rate limit of \$3.25; or 2) if the net assessed valuation of all property in the district declines by a combined total of 20 percent or more over two consecutive valuation years, the electors authorize an override for five consecutive tax years allowing annual levies that are exempt from the \$3.25 tax rate limit but are subject to an annual levy limit of the amount of the levy in the preceding tax year multiplied by 1.05 (A.R.S. § 48-807).

The State Forester must process and pay claims for reimbursement of wildland fire suppression services as follows: 1) within 30 days after receiving a complete and correct claim for wildland fire suppression services, the State Forester must pay the claim from available monies that have not been committed to the payment of other wildfire expenses; 2) within 30 days after receiving a complete and correct claim for wildland fire suppression services on federal lands, the State Forester must complete the processing of the claim and forward the claim to the appropriate federal agency; or 3) for any valid claim other than federal reimbursement, if there is insufficient funding in the Fire Suppression Revolving Fund, the holder of the unpaid

claim must be issued a certificate from the Arizona Department of Administration (A.R.S. § 37-623.02).

There is no estimated fiscal impact to the state General Fund associated with this legislation.

Provisions

Fire District Assistance Tax

(These provisions retroactive to July 1, 2016)

1. Eliminates, beginning in FY 2017, the \$400,000 FDAT limit for consolidated fire districts.
2. Caps the amount of FDAT monies that a fire district that consolidated on or after July 1, 2014 can receive at the sum of the average of the amount of FDAT monies received by each district in the five FYs prior to the merger or consolidation.
3. Requires the State Treasurer to pay a consolidated fire district the amount of FDAT monies that would have been paid to the districts at the time of merger or consolidation if both of the following apply:
 - a) the consolidated fire district receives FDAT monies reduced by the pro-rata reduction formula; and
 - b) the total amount of monies that would be paid to all fire districts in the county is less than the amount of monies that would be raised by the levy of 10 cents per \$100 assessed valuation.

Wildland Fire Reimbursement Claims

4. Includes claims for personnel hours, used supplies and reasonable and negotiated costs of damage to equipment that exceeds normal wear and tear in the reimbursement claims the State Forester must process and pay.
5. Directs the State Forester to certify any valid claim for federal reimbursement to the State Treasurer who must pay the claim from monies appropriated from the Budget Stabilization Fund.
6. States that an amount sufficient to pay claims certified by the State Forester is continuously appropriated from the Budget Stabilization Fund to the State Treasurer for payment of certified claims.
7. States that not more than \$10 million dollars in unreimbursed claims may be outstanding from the Budget Stabilization Fund at any time.
8. Requires the State Forester to reimburse the State Treasurer within 45 days after payment of the claim by a federal agency and requires the State Treasurer to deposit those monies in the Budget Stabilization Fund.

County Fire District Budget Override Election
(These provisions retroactive to June 1, 2016)

9. Allows, as session law, the electors of a fire district voting in a regularly scheduled general election in November 2016 or 2017 to authorize a temporary budget override for five consecutive tax years that allows annual levies that are:
 - a) exempt from the statutory tax rate limit of \$3.25; and
 - b) subject to a tax rate limit of not more than \$3.50.
10. Stipulates that after the fifth tax year, the fire district is again subject to the limits computed by multiplying the levy beginning in the year preceding the override by 1.08 for each year through the current tax year.

Miscellaneous

11. Makes technical and conforming changes.
12. Becomes effective May 12, 2016, with retroactive provisions as noted.

Amendments Adopted by the Natural Resources Committee

- Makes changes to the FDAT limit for consolidated districts and removes the changes to fire district overrides.

Amendments Adopted by the Appropriations Committee

- Removes the language directing the State Forester to pay claims from available monies in the Emergency Response Fund.

Amendments Adopted by the House of Representatives

1. Increases the timeframe in which the State Treasurer must be reimbursed from 30 days to 45 days after payment of the claim by a federal agency and requires the State Treasurer to deposit those monies in the Budget Stabilization Fund.
2. Adds that not more than \$10 million dollars in unreimbursed claims may be outstanding from the Budget Stabilization Fund at any one time.
3. Removes the repeal and reinsertion of technical changes from last year's technical corrections bill.
4. Adds session law regarding a 2016 or 2017 county fire district budget override election.
5. Adds an emergency clause.

FACT SHEET - Amended

S.B. 1244

Page 4

Senate Action

NR	2/8/16	DPA	6-0-1
APPROP	2/16/16	DPA	7-0-1
3 rd Read	2/25/16		28-0-2
Final Read	5/4/16		28-0-2

House Action

MAPS	3/17/16	DPA	8-0-0
3 rd Read	4/13/16		56-3-1

Signed by the Governor 5/12/16

Chapter 219 E

Prepared by Senate Research

June 1, 2016

BL/ljs